

Attachment A:	Excerpt of Ameritech's Response to Chairman Mathias' Data Request from GCI Ex. 2.2
Attachment B:	Service Quality Measures, Standards, and Escalation Factors in the Proposed Service Quality Incentive Mechanism from GCI Ex. 2.5

ATTACHMENT "A"

(Excerpt from Ameritech's Response to Chairman Matthias' Data Request)

Chairman Mathias Data Request

Forecasting Customer Service Needs

There was no analysis of how SBC/Ameritech-Illinois forecasts its customers' service needs and the company's general business needs, who makes those forecasts, how accurate the forecasts have been historically and what changes, if any, SBC/Ameritech-Illinois is making to its forecasting methodologies for its customer, general business and other needs.

Response:

1. Consumer Forecast Flow Summary

Forecasting of Access Lines, Central Office Features and Services begins with an assessment of the marketplace performed by the Product and Segment marketing organizations. The assessment is broken down into geographic areas based on the following variables:

- Economics
- Product penetration
- Pricing
- Competition
- Stimulation plans
- Consumer demand/preferences

Each of these variables is utilized to develop specific inward and outward expectations (volumes) to determine the required infrastructure to meet the consumer demands.

These volumes, once defined, are reviewed with the Network planning organization. The Network planning organization develops plans for infrastructure growth independently. The Consumer Plans are overlaid onto the Network Plans to determine if enough capacity exists to meet the Consumer Unit's expectations. Once this is completed and agreement on future demand is reached, Network will put together their final forecasts for Network facilities.

2. Business Customer Services (BCS) Forecast Process

Most new products come out of the Greenprint process. Greenprint is a highly confidential product development process to assess, develop and launch new products and services within Ameritech/SBC. During Greenprint, product marketing ensures that the product is ready to go to market. Among other things, product marketing ensures that the network is capable of handling the product, the billing systems are operational, the appropriate tariffs are filed, and operationally the product functions as planned. Network is provided forecasts as to the level of support needed on an ongoing basis for all new products.

Forecast Customer Service Needs

From a BCS perspective, we focus on the impact of the product on our customers via our channels. We work with product marketing to develop a joint forecast within our specific channels via the market readiness process. This process ensures the products and services we roll out are supported by our channels. This process includes training, notification of volumes, advertising support needed, and methods and procedures. New product forecasts are provided to call center force management group for incorporation into their force model. Forecasts on penetration levels vary based on the product, availability, pricing and level of advertising support.

3. Network Forecasting Model

The Company forecasts the volume of installation orders which require a field visit, or "visited service orders" (VSOs), based on the forecast of inward access lines provided by the business units as well as by utilization of historical data. The forecasted number of inward lines is multiplied by the percentage of lines that historically have required a field dispatch for the specific type of service being installed. The formula also uses historical trends based on seasonal service order volumes.

In a similar manner, the dispatched out trouble (DOT) volumes are forecast based on historical data, which is tracked by trouble report disposition code. This data is forecast at the district level based on data from 1994 to the present. The forecasting method used is exponential smoothing, which incorporates past seasonal and growth trends.

Historical visited service orders and dispatched trouble reports can be seen on the attached charts. Note: DOT volumes represent repair visits and VSO volumes represent installation visits.

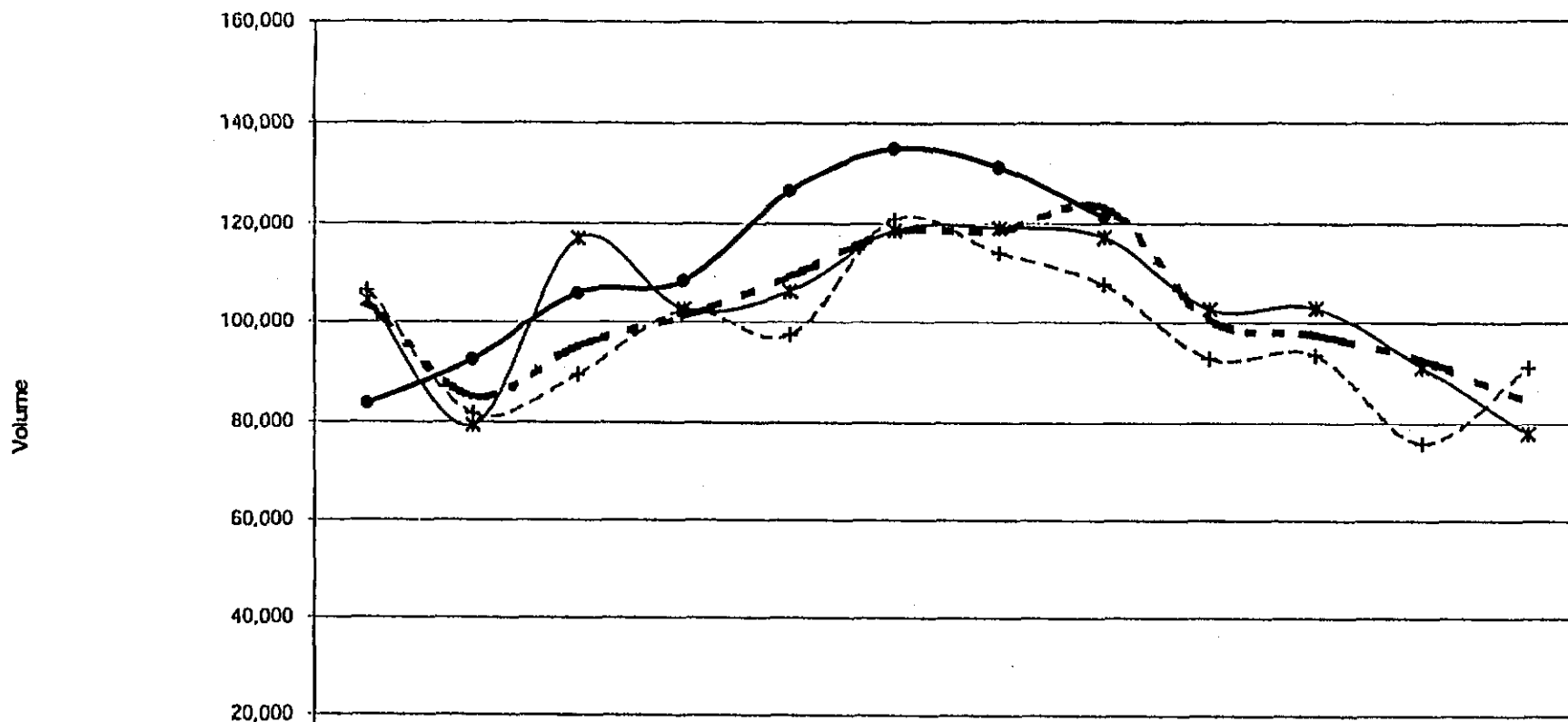
Once these forecast volumes have been developed, they are entered into a force/load model which incorporates the average amount of field technician time required for an installation order and/or trouble report. This model is sensitized using varying productivity improvement and overtime assumptions. The productivity improvement percentage used incorporates historical productivity improvements as well as the impact of known business or process changes. The overtime assumptions assume not only a "floor" of overtime which is required for technicians to complete work items at the end of the day and on weekends during low volume periods, but also recognizes that abnormally high levels of overtime can not be sustained for long periods of time and that the productivity of technicians diminishes at very high levels of sustained overtime.

Once the requisite number of technicians is determined from the model, this information is used in the ongoing staffing of the field organizations. To the degree the volume forecasts under-run the actual volumes, or productivity improvements are not realized, potential force/load mismatches are created and a work backlog is

Forecast Customer Service Needs

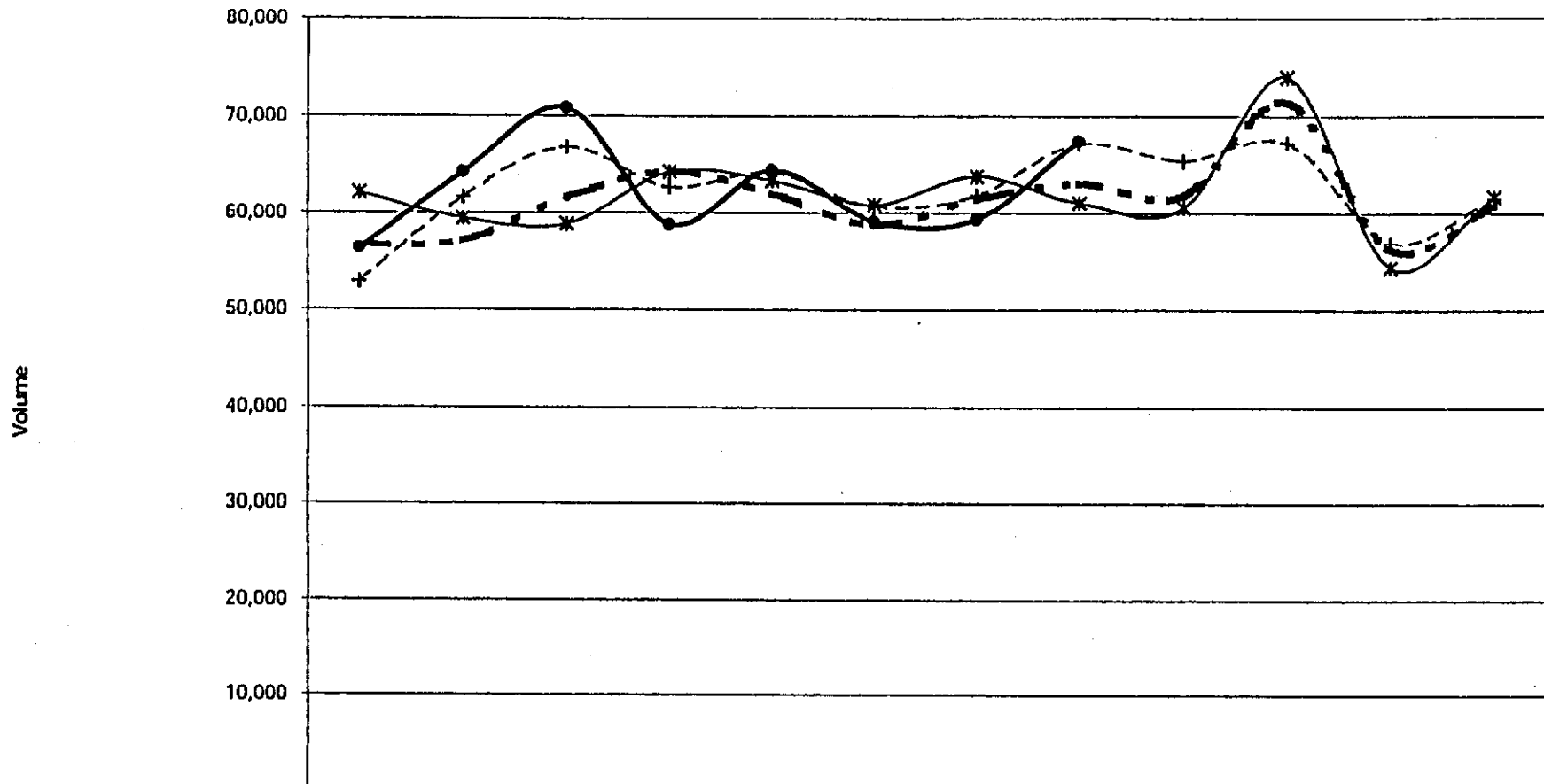
created which needs intervention in the form of additional overtime, loans from other organizations, or in the longer term, the hiring of additional field personnel.

POTS DOT Volume



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
* Total Illinois '98	104,499	79,375	117,090	102,800	106,417	118,783	119,235	117,318	102,877	103,125	91,250	77,938
+ Total Illinois '99	106,546	81,721	89,527	102,605	97,519	121,066	114,203	107,831	92,903	93,585	75,922	91,283
'Total Illinois '00 Fcst	103,677	85,101	95,166	101,235	109,293	118,426	118,639	123,401	100,691	97,661	92,617	84,518
● Total Illinois '00	83,743	92,471	106,011	108,539	126,808	135,169	131,502	121,559				

POTS VSO Volume



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
* Total Illinois '98	62,146	59,484	58,916	64,219	63,355	60,897	63,799	61,088	60,602	73,978	54,401	61,728
+ Total Illinois '99	52,862	61,741	66,825	62,723	64,207	60,704	61,817	67,179	65,359	67,314	56,977	61,571
'Total Illinois '00 Fcst	56,650	57,152	61,642	64,298	62,043	58,816	61,506	63,074	61,844	71,500	56,239	60,814
● Total Illinois '00	56,375	64,232	70,866	58,916	64,407	59,170	59,447	67,490				

Chairman Mathias Data Request***SBC/Ameritech-Illinois Forecast Failure to Meet Out of Service 24 Hour Standard***

The company's written presentation disclosed (at page 24) that the company forecasts it will not meet the Commission's out of service less than 24 hours standard and therefore likely will pay a substantial fine. This would be the eighth time in ten years that Ameritech has failed to meet this standard and provide the legally mandated customer service. This, in spite of the fact that the penalty for non-performance was increased in 1999 to an amount almost eight times higher than before - from \$4 million to \$30 million.

Response:

The Company takes the Out of Service Over 24 Hours standard very seriously in Illinois as evidenced by the significant improvement which was evident during 1999 and the first half of this year. This is a very difficult standard to attain on a consistent basis and is one of the most stringent service requirements placed on telecommunication carriers anywhere in the country. Nevertheless, Ameritech Illinois' performance on this measure, while currently falling short of expectations, led all SBC states during the July 1999 through June 2000 period as measured by the NARUC Company Service Quality Reports.

The Company has worked closely with your staff the past two years to ensure that the appropriate degree of focus and attention was directed at this measure. Until the arrival of the exceptionally high work volumes this past summer, the Company was attaining this measure on a regular basis and has every intention of returning to those premier levels of service once the current work backlog is addressed.

Chairman Mathias Data Request

Customer Compensation for Inadequate Service

The written presentation failed to address what compensation should be awarded by the company to any customer who does not receive service that meets Commission service standards or to a customer who paid for a service that is not received. Should a customer who has paid for "line backer" service for the past many months and who does not receive prompt repair service have refunded to him/her all of the prior line backer payments that the customer has made? Should the customer have to request such refund or should it be provided automatically by SBC/Ameritech-Illinois? As Commissioner Harvill asked during Wednesday's hearing, should a customer whose service is not restored within 24 hours or installed within five business days receive free cellular telephone service from SBC/Ameritech-Illinois until the restoration or installation of such service? The company's written presentation made no mention of these possible alternatives.

Response:

Ameritech is currently developing a cellular loaner program to provide cellular service to those customers with special circumstances that are experiencing extremely long delays for repair and installation of service.

Missed Appointment/Extended Due Dates/Facility Delays

Standard:

- | | |
|--|---|
| <ul style="list-style-type: none"> - Attempt to contact customer was made prior to due date | <ul style="list-style-type: none"> • Based on customer request, service representative can adjust between 0-50% of the installation fee. (Does not include jacks, wiring) |
| <ul style="list-style-type: none"> - Attempt to contact customer was successful, unsuccessful or no attempt was made on or after the due date | <ul style="list-style-type: none"> • Based on customer request, service representative can adjust between 0-100% of the installation fee. (Does not include jacks, wiring) |

Operation Pride:

Extended due date of more than 7 days:

- Customers will automatically receive a credit of \$19.00, which is equal to the monthly average of basic service.
- Credits are offered on multiple lines on all new service connections, or additional line orders

LINE-BACKER® Terms & Conditions

LINE-BACKER and MULTI LINE-BACKER

Covers:

- Service calls
- Diagnosis of problem
- Repair of premises' Telecommunications Wire and jacks

Some limitations apply.

LINE-BACKER with Phone MULTI LINE-BACKER with Phone

Covers:

- Service calls
- Diagnosis of problem
- Repair of premises' Telecommunications Wire and jacks
- Loaner phone for up to 60 days

Some limitations apply.

To Request Repair Service

Please refer to your phone bill for your local repair number.

Responsibility

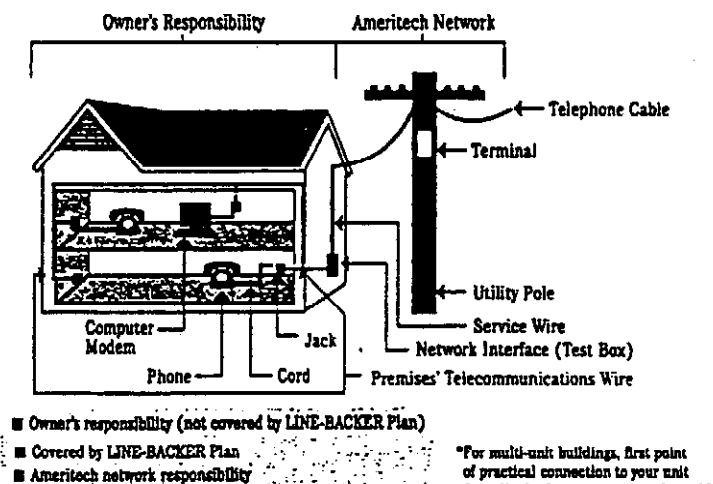
Ameritech is always responsible for maintaining Ameritech's network facilities. You are responsible for maintaining and repairing all Telecommunications Wire and equipment (e.g., phones, faxes, modems, etc.). Premises' Telecommunications Wire ("Telecommunications Wire") is the wire extending from the network interface* (the point where Ameritech's network facilities connect to your home or business, and is generally mounted on the exterior wall) up to and including your jacks. Ameritech offers LINE-BACKER Plans to help protect you against unforeseen repair bills on Telecommunications Wire and jacks.

Description of Services

All LINE-BACKER Plans are optional services that protect Ameritech customers against unexpected Telecommunications Wire repair charges in the event that a problem is found in the Telecommunications Wire and/or jacks.

LINE-BACKER covers single phone lines and MULTI LINE-BACKER (residential accounts only) covers multiple phone lines on the same account.

All LINE-BACKER Plans cover the Telecommunications Wire from Ameritech's network facilities, up to and including the phone jacks. (See diagram below.)



2119 999

Missed Appointments/Facility Delays

- If customer is not satisfied with operation pride credit, service representative can make additional adjustment of installation fee, not to exceed 100% of installation.

Out of Service Adjustments:

Standard:

Customer calls in to request an out of service adjustment. Credits are prorated for actual time out of service.

Operation Pride:

If customers out of service for more than 48 hours a \$19.00 credit, which is equal to the monthly average of basic service, is automatically applied to the customer's bill.

Company Policy on Line Backer Service:

LINE-BACKER only covers certain repair charges associated with problems found in the customer's inside (premises telecommunications) wire. Thus, if a customer is calling repair to report an out of service condition, LINE-BACKER would only cover the repair if the problem was not found to be in the network (e.g. outside of the customer premises, within or on the network side of the Network Interface).

Phone Option

If you subscribe to LINE-BACKER with Phone or MULTI LINE-BACKER with Phone, Ameritech will loan you a standard single-line telephone set for up to 60 days while you are having your phone repaired. Ameritech cannot fix your phone. (NOTE: The loaner phone may not have special call management equipment such as the display device needed for Caller ID.)

Please remember that Ameritech does not own the loaner phone. You will be asked to sign a receipt confirming that you will return the loaner phone within 60 days. (Limited to three loaner phones within a six-month period.) Ameritech and the loaner phone provider have the right to take action if the phone is not returned within the 60-day period, including the right to demand payment for the loaner phone.

Damage to Premises

If damage to the Telecommunications Wire occurs as a result of catastrophic damage to all or a portion of your premises, the repair of Telecommunications Wire will be provided only to the portion of the premises, if any, that is in a condition suitable for immediate occupancy and does not require reconstruction or repair of walls, floors or other structural features. If the Telecommunications Wire repair cannot be completed until after such reconstruction is completed because of extreme damage to the premises, applicable charges will apply to install new or repair any existing wiring.

Conditions Not Covered

The following conditions are not covered under the LINE-BACKER Plan:

- Problems that existed before you subscribed to LINE-BACKER.
- Damage to Telecommunications Wire caused by negligence of a contractor or intentional damage by you or a third party.
- Damage to Telecommunications Wire caused by faulty equipment (e.g., telephone, fax, modem, etc.).
- Installation of additional Telecommunications Wire, including connecting the wire at the network interface or jacks.
- End-to-end replacement of Telecommunications Wire (e.g., from the network interface to one or more jacks/terminations).
- * ■ Repair of main line extension wire to unattached structures (such as a separate garage or barn).
- * ■ Repair of jacks located outdoors, except for jacks attached to the exterior of your premises.
- Repair of wiring for boat slips and special boat cords and jacks.
- Conversion of hard-wired phones to modular phone outlets.
- Repair of telecommunications equipment.
- * ■ For multi-unit dwellings, problems occurring in horizontal and/or riser cable.
- * ■ Requests to check for wire taps.

Please note that LINE-BACKER Plans are not available with some services such as WATS and 800 service. To determine availability, call the customer service number listed on your telephone bill.

Inability to Access Premises

Ameritech must have reasonable access to your premises to diagnose and repair problems. Ameritech will try to schedule a mutually convenient appointment, but will be excused from performance if reasonable access is not provided. You may be responsible for a Service Call charge if a technician must return to your premises due to denied access.

* Effective December 31, 1999

Effective Date

When you order LINE-BACKER, it is effective immediately if you are ordering new telephone service. If your order is a change in your existing phone service options or choice of LINE-BACKER Plan, LINE-BACKER is effective five calendar days after date of order.

Charges and Billing

The monthly charge for LINE-BACKER will appear on your Ameritech telephone bill. Payment for LINE-BACKER has the same due date and is subject to the same late payment charges as other billed items. A one-time ordering charge may also apply. In addition, you are obligated to pay all applicable taxes assessed on your monthly bill. See the taxes section of your monthly bill. Ameritech may allocate in any manner payments made against charges appearing on your phone bill.

Cancellation of LINE-BACKER Plan

You may cancel your LINE-BACKER Plan at any time. To cancel, call the customer service number on the local service portion of your telephone bill.

The monthly charge for the LINE-BACKER Plan will be credited, based on the requested removal date and your billing period. You may cancel LINE-BACKER within 10 days following the postmarked date of this Terms and Conditions at no charge. Afterward, the minimum contract period is 30 days. Ameritech may cancel your LINE-BACKER for nonpayment of applicable charges at any time without notice.

In addition, Ameritech may cancel your LINE-BACKER or MULTI LINE-BACKER with Phone in the event of suspected malicious damage or intentional abuse or failure to return the phone within 60 days.

Limitation of Liability

Ameritech is not liable for delays or failure to perform services covered under your LINE-BACKER due to circumstances beyond its control, including, but not limited to, labor strikes, civil unrest, work stoppages or acts of nature.

If Ameritech fails to properly perform a repair under the terms and conditions of the LINE-BACKER service, a technician will return to correct the problem.

If a loaner phone malfunctions within the 60-day period, you may exchange it at no additional charge.

Ameritech is not liable for expenses, losses or damages caused by mistakes, omissions, interruptions, delays or errors in the performance of the service, or the failure or malfunctions of your loaner phone or Telecommunications Wire.

AMERITECH SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR ANY OTHER EXPENSES, LOSS OR DAMAGE DIRECTLY OR INDIRECTLY ARISING FROM THE PERFORMANCE OR NONPERFORMANCE OF YOUR LINE-BACKER PLAN OR ANY SERVICE COVERED UNDER LINE-BACKER OR THE USE OR INABILITY TO USE THE TELEPHONE SERVICE TO WHICH LINE-BACKER APPLIES.

Changes to Terms and Conditions

Ameritech may change any of the Terms and Conditions or discontinue any of the Plans, or increase the price of your LINE-BACKER Plan by notifying you in writing at least 30 days before its effective date.

Important: Your agreement to these terms and conditions is indicated by your payment of the LINE-BACKER charges on your next Ameritech bill.

Nota a los clientes de habla hispana: Para cualquier consulta, por favor llame al 1-800-621-4533 de lunes a viernes, de 7 a.m. a 10 p.m. o los sábados de 7 a.m. a 7 p.m. (hora central).

HELPFUL HINTS: Troubleshooting You Can Perform Yourself

If you have a problem with your telephone service, try these simple steps before calling Ameritech. You will need a screwdriver and a telephone that you know is working properly.

- 1** Find your telephone network interface. It's a gray box approximately 9" x 7" x 3" (businesses and multi-tenant buildings have a larger interface). This is the point where your inside wiring meets the Ameritech network. The interface is usually located on an exterior rear or side wall. In some cases, this interface will be located in your basement or within 12" of an outside wall.
- 2** Unscrew and open the left side of the box. Find the test jack for each of your lines. If there are multiple lines in your home or business, each line should be tested.
- 3** Each line has a test point. Unplug your test jack for each line and wait at least one minute. Plug in your phone at the test point. To make sure your phone is working properly, dial a local number to see if you can complete a call.
- 4** If the original problem still exists, contact Ameritech. If the trouble disappears, it's caused by your inside wire or telecommunications equipment. To determine if the problem is in your inside wire, continue with the next step.
- 5** If you have a cordless telephone, unplug it from the jack and power supply. Wait one to two minutes and pick up another phone. If the dial tone returns or the noise disappears, the problem was in the cordless phone. If the problem still exists, unplug the phone again from the jack and power supply and go to the next telephone.
- 6** Continue to unplug each telephone or piece of equipment (e.g., phone, fax, modem, etc.), wait one to two minutes, leave the equipment unplugged and check the next phone to see if the problem has cleared. If the dial tone returns or the noise disappears, this means that the problem existed on the last piece of equipment unplugged from the jack and power supply.
- 7** If the problem still exists, call Ameritech at the appropriate number listed on your telephone bill. LINE-BACKER includes Service Calls to diagnose a problem, and repair of the Telecommunications Wire and jacks, if necessary. (NOTE: Ameritech may be able to diagnose the problem without a visit.) Even if Ameritech discovers that the problem is in your telephone, there will be no charge for the visit.

Please keep this with your important papers.



In a world of technology,
people make the difference.

405-1LLB (6/99)

PART 2 - General Terms and Conditions
SECTION 2 - Regulations

Original Sheet No. 20

20. APPLICATION OF REVISED CHARGES

- A. For services for which a firm order is placed by the customer prior to the effective date of a change in nonrecurring charges, Service Charges, Contract Charging Plan Contract Charges and Variable Term Payment Plan Charges:
- (1) Where the installation or other work is completed within 30 days following the effective date of the change, the previously effective nonrecurring charges, Service Charges and Contract Charges apply.
 - (2) Where the installation or other work is completed more than 30 days following the effective date of the change, the new or revised nonrecurring charges, Service Charges and Contract Charges apply, except as provided in a. and b. following.
 - a. The previously effective charges apply if the Company cannot provide the service ordered within the 30 days, and the service ordered is installed on the earliest date on which the Company can provide the service.
 - b. The previously effective charges apply if the installation or other work is completed within a longer interval as may be specified in the particular tariff change.
 - (3) Where the installation or other work is completed more than 30 days following the effective date of the change due to the customer's inability to meet all obligations necessary for the provision of such service, the new or revised nonrecurring charges, Service Charges and Contract Charges apply.
- B. For services for which a firm order is placed by the customer on or after the effective date of a change in nonrecurring charges, Service Charges, Contract Charging Plan Contract Charges and Variable Term Payment Plan Charges, the charges in effect on the date the order is placed apply.
- C. Nothing in this Paragraph shall be construed to require the installation on or after January 1, 1984, of new or additional items of customer premises equipment which have been deleted from this tariff as of January 1, 1984.
- D. When complete disconnection of service takes place prior to January 1, 1984, the Set Recovery Plan, as administered by the Company, will continue in effect until January 31, 1984, for customers eligible for a credit allowance under the plan.

Material formerly appeared in ILL. C. C. No. 5, PART 1, Section 5, 6th Revised Page 8.

Issued: October 23, 1995

Effective: December 8, 1995

By D. H. Gebhardt, Vice Pres. - Reg. Affairs
225 W. Randolph Street
Chicago, Illinois 60606

PART 2 - General Terms and Conditions
SECTION 2 - Regulations

Original Sheet No. 21

21. USE OF CUSTOMER-PROVIDED FACILITIES

Customer-provided terminal equipment and customer-provided communications systems may be used with facilities provided by the Company as specified in Section 9 of this PART or elsewhere in this tariff.

22. POWER SUPPLY

The customer is responsible for providing a suitable supply of commercial electrical power, including outlets, when and where required by the Company for the operation of any Company-provided telecommunications equipment on the customer's premises.

23. INTERRUPTIONS TO SERVICE

- 23.1 When service is interrupted and the interruption exceeds the appropriate qualification period (as measured from the time the interruption is reported to or detected by the Company, whichever occurs first) as shown in 23.4 following, a credit allowance will be made, at the customer's request, for the service which is rendered useless and inoperative due to the interruption.

For multiplexed service ordered under the Shared Network Arrangement, the host subscriber, as well as each service user, must notify the Telephone Company of any service outage in order to receive their portion of the credit allowance.

- 23.2 A credit allowance will not be given for:

Interruptions caused by the negligence or willful act of the customer.
Interruptions caused by the customer-provided facilities.
Interruptions caused by electric power failure where the customer furnishes such electric power.

- 23.3 The credit allowance will be based upon the ratio of the duration of the service interruption (measured from the time the interruption is reported to or detected by the Company, whichever occurs first, and expressed in multiples of the appropriate allowance increment shown in 23.4 following) to the total time in a 30-day month. That ratio, multiplied by the monthly charge for the service affected shall determine the amount of the credit allowance. No other liability shall attach to the Company in consideration of such interruption to service.

Material formerly appeared in ILL. C. C. No. 5, PART 1, Section 5, 6th Revised Page 8 and 5th Revised Page 9.

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PART 2 - General Terms and Conditions
SECTION 2 - Regulations

Original Sheet No. 22

23. INTERRUPTIONS TO SERVICE (cont'd)

23.4	Service	Qualification Period	Allowance Increment*
A.	All services except those listed below	12 hours	24 hours
B.	Telecommunications Channel Service		
(1)	Series 1000 and Series 3000		
	intraexchange	24 hours	24 hours
	interexchange	1/2 hour	1/2 hour
(2)	Series 2000		
a.	All Series 2000 Channels except Type 2002	24 hours	24 hours
b.	Type 2002 Channels		
	intraexchange	24 hours	24 hours
	interexchange	1/2 hour	1/2 hour
(3)	Series 6000 and Series 7000 (Type 7001)	#	#
(4)	Series 7000 Type 7003	2 hours	1 hour

* Major fractions (more than 1/2) of these increments are treated as whole increments.

Allowance for interruptions shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of time during which such interruption occurs.

Material formerly appeared in ILL. C. C. No. 5, PART 1, Section 5, 5th Revised Page 9 and 23rd Revised Page 10.

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Tariff

PART 2 - General Terms and Conditions
SECTION 2 - Regulations

1st Revised Sheet No. 23
Cancels
Original Sheet No. 23

23. INTERRUPTIONS TO SERVICE (cont'd)

23.4 (cont'd)	Service	Qualification Period	Allowance Increment ^{1/}	(T)
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C. WATS

As specified in PART 10 of this tariff or of tariff ILL C. C. No. 19, as appropriate.

D. Foreign Exchange, Foreign Central Office and Foreign District Service

24 hours 24 hours

E. Direct Digital Service, Direct High Capacity Service except for individual channelizing (plug-ins) and NOVALINK Fiber Optic Service.

(1) Interruptions (as defined in PART 20, Section 15, for Direct High Capacity Service, PART 15, Section 5 for Direct Digital Service and NOVALINK Fiber Optic Service) of 24 Hours or Less

Length of Interruption

Less than 30 minutes

30 minutes and up to, but not including, 3 hours

3 hours and up to, but not including, 6 hours

6 hours and up to, but not including, 9 hours

9 hours and up to, but not including, 12 hours

12 hours and up to, but not including, 15 hours

15 hours and up to 24 hours inclusive

Credit

None

1/10 day

1/5 day

2/5 day

3/5 day

4/5 day

One day

Two or more interruptions of 30 minutes or more during any period up to, but not including 3 hours, shall be considered as one interruption.

(2) Interruptions (as defined in PART 20, Section 15, for Direct High Capacity Service, PART 15, Section 5 for Direct Digital Service and NOVALINK Fiber Optic Service) of Over 24 Hours

Credit will be allowed in 1/5 day multiples for each 3 hour period of interruption or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

F. Ameritech 384, Ameritech DS1, Ameritech DS3, Ameritech OC-3 and Ameritech OC-12 Services

Interruptions are defined in PART 15, Section 3. Credit allowances for interruptions to service are as defined under the provisions of tariff ILL. C. C. NO. 21, Section 2.4.4(B) (9).

(T)

^{1/}Major fractions (more than 1/2) of these increments are treated as whole increments. (T)

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Chairman Mathias Data Request

SBC/Ameritech-Illinois Marketing and Sales Activities

The written presentation made no mention of any new SBC/Ameritech-Illinois marketing and sales initiatives. It would be helpful to know the headcount trends, employee hiring/turnover activities, budgets and spending for marketing and sales, including media and print advertising. Should SBC/Ameritech-Illinois be engaged in/expanding marketing and sales efforts at a time when anecdotal information indicates the company may be unable to adequately serve its existing customers?

Response:

Attached are the monthly headcount, budget, and spending data for marketing dating back to 1/97 for Consumer and 1/98 for Business Services. The marketing organization resided in Chicago and supported the five state Ameritech region between 1/97 through 1/00. Starting 2/00 marketing was centralized in San Antonio, TX and supported the full SBC consumer and business organization.

New and expanded service offerings as well as promotions can be divided into two groups: vertical services and DSL. Vertical services include items like talking call waiting and privacy manager. These items flow through our systems and don't require a technician visit for either installation or repair.

DSL is a new product that has been promoted and advertised and does affect volumes. The volumes produced are handled by an Ameritech subsidiary, Ameritech Advanced Data Services (AADS). AADS is a CLEC and thus its orders flow through to the network group with all other CLEC requests. It is safe to assume that customer data needs would drive higher volumes whether Ameritech was a player in this arena or not.

Illinois Data

1. Marketing Headcount

Performs functions for 5 state region 1/97-9/99

Starling 2/00 marketing headcount responsible for full 13 state consumer enterprise

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	64	61	64	66	66	69	68	66	55	60	61	66
1998	67	68	54	49	48	47	46	46	51	50	48	48
1999	38	38	36	36	34	35	32	35	35	37	37	34
2000	31	51	66	72	69	73	74	86	87			

2. Actual Marketing Expense (\$000's)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1997	1,880	2,511	3,194	4,944	4,218	1,681	2,838	2,928	1,959	5,307	6,200	5,116	42,776
1998	3,160	3,917	4,079	2,222	2,868	1,967	2,409	1,954	1,604	3,228	1,837	1,777	31,022
1999	3,503	3,175	2,029	2,835	1,990	3,089	3,155	1,489	2,368	1,623	3,169	2,713	31,138
2000	Monthly Data not available							11,504	August YTD				11,504

3. Budgeted Marketing Expense (\$000's)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1997	4,392	3,777	3,779	2,902	2,886	2,882	2,565	7,193	3,237	2,392	2,432	2,451	40,888
1998	1,799	2,444	4,756	3,466	1,548	3,418	2,998	1,936	4,704	2,726	1,972	4,199	35,967
1999	3,886	3,290	2,251	2,397	2,786	2,757	2,830	1,587	3,290	1,540	3,375	1,695	31,684
2000	2,102	2,173	2,243	2,278	2,102	1,752	1,051	701	1,402	1,226	350	438	17,818

TOTAL MARKETING HC SUMMARY

	<u>Jan-98</u>	<u>Feb-98</u>	<u>Mar-98</u>	<u>Apr-98</u>	<u>May-98</u>	<u>Jun-98</u>	<u>Jul-98</u>	<u>Aug-98</u>	<u>Sep-98</u>	<u>Oct-98</u>	<u>Nov-98</u>	<u>Dec-98</u>
Mktg HC	151	150	141	138	135	131	152	147	134	132	132	130
Turnover		(1%)	(6%)	(2%)	(2%)	(3%)	16%	(3%)	(9%)	(1%)	0%	(2%)

	<u>Jan-99</u>	<u>Feb-99</u>	<u>Mar-99</u>	<u>Apr-99</u>	<u>May-99</u>	<u>Jun-99</u>	<u>Jul-99</u>	<u>Aug-99</u>	<u>Sep-99</u>	<u>Oct-99</u>	<u>Nov-99</u>	<u>Dec-99</u>
Mktg HC	105	106	104	107	105	107	113	116	120	120	119	110
Turnover	(19%)	1%	(2%)	3%	(2%)	2%	6%	3%	3%	0%	(1%)	(8%)

	<u>Jan-00</u>	<u>Feb-00</u>	<u>Mar-00</u>	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>	<u>Aug-00</u>
Mktg HC	88	84	83	77	83	92	94	85
Turnover	(20%)	(5%)	(1%)	(7%)	8%	11%	2%	(10%)

BCS SALES HC SUMMARY

	<u>Jan-98</u>	<u>Feb-98</u>	<u>Mar-98</u>	<u>Apr-98</u>	<u>May-98</u>	<u>Jun-98</u>	<u>Jul-98</u>	<u>Aug-98</u>	<u>Sep-98</u>	<u>Oct-98</u>	<u>Nov-98</u>	<u>Dec-98</u>
Sales HC	752	794	782	771	804	803	796	783	789	786	793	894
Turnover		6%	-2%	-1%	4%	0%	-1%	-2%	1%	0%	1%	13%

	<u>Jan-99</u>	<u>Feb-99</u>	<u>Mar-99</u>	<u>Apr-99</u>	<u>May-99</u>	<u>Jun-99</u>	<u>Jul-99</u>	<u>Aug-99</u>	<u>Sep-99</u>	<u>Oct-99</u>	<u>Nov-99</u>	<u>Dec-99</u>
Sales HC	947	954	946	963	971	999	1052	1074	1084	Not avail	1073	1090
Turnover	6%	1%	-1%	2%	1%	3%	5%	2%	1%	Not avail	-1%	2%

	<u>Jan-00</u>	<u>Feb-00</u>	<u>Mar-00</u>	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>	<u>Aug-00</u>
Sales HC	1194	1215	1260	1271	1356	1383	1402	1389
Turnover	10%	2%	4%	1%	7%	2%	1%	-1%

Ameritech BCS Premise Sales Expense Summary
(Dollars in Thousands)

	<u>1999 Actual</u>	<u>1999 Budget</u>	<u>2000 YTD Actual</u>	<u>2000 YTD Budget</u>
Large Business Sales	\$34,313	\$33,941	\$23,678	\$22,692
Business Sales	\$33,716	\$36,029	\$26,755	\$23,611
Custom Business	*	*	\$7,207	\$7,494

*Custom Business not applicable in 1999

TOTAL MARKETING EXPENSE SUMMARY

(Dollars are in Thousands)

	1998		1999		2000	
	Actual	Budget	Actual	Budget	BG	Budget
Marketing expense*	\$ 72,339	\$ 76,774	\$ 56,644	\$ 83,721	\$ 20,210	\$ 32,381
Advertising expense**	\$ 24,494	\$ 27,052	\$ 16,529	\$ 20,409	\$ 11,070	\$ 17,409

* Ameritech headcount, consultants, telemarketing contractors

** radio, tv, print, direct mail

Chairman Mathias Data Request

Operations/Maintenance Budgeting and Spending

Aside from noting that overtime spending year to date was \$55 million, "\$15 million more than the same period in 1999" (at page 7), there was no further mention of the company's calendar year 2000 (CY 2000) operating and maintenance budget or spending nor a comparison of those numbers to prior periods or to compare (i.e. benchmark) that budgeting and spending against the performance of other peer group local telephone companies.

Response:

Attached are the 1999 and 2000 front line expenditures and budgets for Network Services. This represents expenditures for Operations, Engineering & Construction and CP&M departments serving Illinois.

In the budget sheet labeled "Front Line Forces in Illinois we show a comparison of actual and budget expenditures in 1999 versus 2000. The S1, S2, and S5 designations indicate Operations (Central Office), Construction and Engineering, and CP&M (our outside installation and repair force) expense budgets. In 1999 through August \$157.8M was budgeted and \$155.8M was spent. In the same time period for 2000 \$170.3M (\$26M more than 1999) was budgeted with \$181.5M being spent (\$11M over budget).

In some cases, area managers cross state jurisdictions. In these cases, we used headcount and other available knowledge to allocate dollars to Illinois. Recognize that all of this is a subset of total dollars expended in Illinois to serve our customers (Consumer, Business, etc not included).

Front Line Forces in Illinois - Expense Budget vs. Actual for 1999 and 2000

Category	Year	Tier	Actual	Budget
Actual	1999	S1	126,772,336	169,191,395
Budget	1999	S1	107,432,497	160,133,116
Variance			19,339,839	29,058,280
Actual	1999	S2	54,359,466	82,225,713
Budget	1999	S2	49,649,331	74,504,261
Variance			4,710,135	7,721,452
Actual	1999	S5	155,803,133	242,112,931
Budget	1999	S5	157,823,961	241,052,242
Variance			-2,020,828	1,060,689
Actual	2000	S1	109,643,243	
Budget	2000	S1	112,356,546	173,575,465
Variance			-2,713,302	
Actual	2000	S2	42,663,490	
Budget	2000	S2	41,845,057	62,060,055
Variance			818,433	
Actual	2000	S5	181,517,804	
Budget	2000	S5	170,295,399	243,891,530
Variance			11,222,405	

Actual	1999	Total	336,934,935	513,530,039
Budget	1999	Total	314,905,789	475,689,619
Variance			22,029,145	37,840,421

Actual	2000	Total	333,824,537	
Budget	2000	Total	324,497,002	479,527,050
Variance			9,327,536	

S1 - Operations
S2 - Construction & Engineering
S5 - CP&M

Chairman Mathias Data Request***Capital Budgeting and Spending***

Although the presentation noted (at page 20) a very substantial increase in capital spending during CY 2000, there was no explanation of whether, how or where that capital is being spent or how such spending benchmarks to the budgeting and spending of other peer group local telephone companies. Equally important there was no mention of the company's anticipated capital needs nor an analysis, including benchmarking with comparable companies, of the prior capital spending, particularly spending for infrastructure enhancements.

Response:

Attached are the 1999 actuals and 2000 capital budgets from our most recent price cap filing.

Illinois Bell Telephone Company
Infrastructure Report
(\$M)

GCI Ex. 2.2

	1999 ACTUAL	2000 BUDGET
STP/SCP GENERIC UPGRADES AND GROWTH	1.2	1.0
800/LIDB PLATFORM MTCE & REPL.	2.1	0.6
EOI CREDITS	(70.6)	0.0
NET ADJUSTMENTS AND INTR AND INTER COMPANY REUSE	(10.8)	(9.8)
OTHER	1.0	3.2
TOTAL	475.9	541.5

SATISFIER - SERVICE CONTINUITY

BUILDING ALTERATIONS AND ADDITIONS	6.7	36.2
AMERITECH POWER INFRASTRUCTURE	21.9	21.5
PIP SUBSTENANCE	22.9	20.5
ANALOG SWITCH REPLACEMENTS	4.2	14.9
AMERITECH SERVICE IMPROVEMENT	13.8	12.9
OSP/POLE REPLACEMENTS	10.8	8.9
LITESPAN 2000 UPGRADE	3.1	2.5
SWITCH FABRIC UPGRADES	5.5	2.1
MDF GROWTH AND REPLACEMENTS	0.5	1.7
COE/DTE EQUIPMENT	0.6	1.5
IOF SURVIVABILITY/DIVERSITY	1.5	1.2
CO & REMOTE TERMINAL BATTERY REPLACEMENT	1.4	0.7
DACS 1 CrossDconnect SYSTEMS	1.1	0.6
OTHER	4.8	0.9
TOTAL	98.8	126.1

SATISFIER - BUSINESS PROCESS IMPROVEMENTS

GLOBAL POSITIONING	0.0	11.1
AIN PLATFORM	8.8	9.7
DYNAMIC DISPATCH	0.0	6.4
CENTER CONSOLIDATION	0.0	1.9
MERGER INITIATIVE	0.0	1.8
DEPLOY REGIONAL CALL FLOW	5.7	0.0
NEXT GENERATION CALL CENTER	0.1	0.0
TOTAL	14.6	30.9

SATISFIER - ADMINISTRATIVE SUPPORT

10 S CANAL CO INFRA REPLACEMENT	4.2	11.9
MOTOR VEHICLE FLEET PURCHASES	0.0	9.2
CAPITAL TOOL/LARGE EQ.	7.7	6.2
CHICAGO PLAN	2.5	2.2
HIGH VOLTAGE SMOKE DETECTION SYSTEM	1.9	1.6
CABLE ENTRANCE FACILITIES	0.0	1.3
HEATING, VENTILATION & AIR	3.0	1.2
MANDATORY FIRE PROTECTION	1.5	1.2
ROOF REPLACEMENT	1.6	0.6

Illinois Bell Telephone Company
Infrastructure Report
(\$M)

GCI Ex. 2.2

	1999 ACTUAL	2000 BUDGET
<u>SATISFIER - LEGAL & REGULATORY MANDATE</u>		
COLLOCATION	24.5	18.8
ROAD MOVES LEGAL MANDATE	14.1	10.2
LONG TERM NUMBER PORTABILITY	2.2	1.9
UNBUNDLED LOOPS	0.0	0.5
END OFFICE INTEGRATION	70.6	0.0
OTHER	0.1	1.4
TOTAL	111.5	32.8
<u>SATISFIER - BUSINESS UNIT</u>		
UNET	0.0	32.2
REAL ESTATE	0.7	1.6
INFORMATION SYSTEMS	1.4	1.2
INWARD STATION ACTIVITY	3.3	0.0
HOUSE OF CORRECTIONS	1.1	0.0
OTHER	1.8	0.3
TOTAL	8.3	35.3
<u>SATISFIER - CUSTOMER SPECIFIC</u>		
PRONTO	2.1	180.4
SONET	14.6	12.9
CUSTOMER SPECIFIC CONTRACTS	1.7	3.4
DIVERSITY	1.4	2.6
EMERGENCY/NON-EMERGENCY FEATURES (911,311)	0.0	1.6
BROADCAST/DISTANCE LEARNING	0.9	1.0
ISDN	0.7	0.8
CALLING FEATURES	1.1	0.3
OTHER	2.0	3.6
TOTAL	24.5	206.6
<u>SATISFIER - INFRASTRUCTURE GROWTH</u>		
GROWTH MPA	235.7	143.0
GROWTH SWITCH	0.0	140.5
GROWTH PIE	163.2	109.4
GROWTH F2	43.1	43.8
GROWTH IOF	34.0	29.2
CAPITALIZED SOFTWARE	0.0	28.0
DROP WIRE	17.8	17.0
NORTHBROOK & WABASH TANDEMS	31.8	17.0
DIGITAL CROSS CONNECT	3.0	10.0
GROWTH OCN	22.6	7.0
CO NET	1.8	1.6

Illinois Bell Telephone Company
Infrastructure Report
(\$M)

GCI Ex. 2.2

	1999 ACTUAL	2000 BUDGET
CHILLER REPLACEMENTS	1.8	0.5
SPRINKLER INFRASTRUCTURE	0.0	0.0
OTHER	(1.3)	6.1
TOTAL	22.9	42.0
TOTAL OF ALL SEVEN SATISFIERS	756.5	1,015.2
VENDOR ENGINEERING & LABOR	30.5	30.0
EXPENSE RIGHT TO USE FEES	38.4	34.1
AMERITECH SERVICES, INC.	5.0	6.0
AMERITECH ILLINOIS INFRASTRUCTURE EXPENDITURES COUNTED TOWARD \$3B COMMITMENT	830.4	1,085.3
ALL OTHER AMERITECH FAMILY MEMBERS ILLINOIS INFRASTRUCTURE EXPENDITURES	137.3	116.6
TOTAL AMERITECH FAMILY OF COMPANIES	967.7	1,201.9

Chairman Mathias Data Request

Infrastructure Adequacy/Prior Years' Spending Levels

The company's written presentation disclosed (at page 4) that more than 11% of the company's access lines have had out of service trouble reports during the first eight months of this year. The written presentation also states (at page 9) that "out of service volumes in 2000 have increased 15% over 1999". Why? What's the explanation? Was there a similar increase in prior years? Is this comparable to the experience of other local exchange companies?

Such a disclosure raises the obvious question: Is this an example of inadequate prior years' capital spending on infrastructure by Ameritech - a company that had 1999 revenues of almost \$3,000,000,000 (\$3 billion) and after tax profits exceeding \$400,000,000 (\$400 million)?

Response:

The increase in Out of Service trouble reports over 1999 levels is the result of several contributing factors. First, in many parts of the state, precipitation levels have exceeded 1999 levels both in monthly quantities as well as in the amount of rainfall within a short period of time. While significant rainfall, of course, is to be expected in Illinois and is nothing new to Ameritech Illinois, the service challenge is significantly compounded when the bulk of the monthly total falls within a few days. These heavy downpours result in tremendous repair call volumes in a relatively short period of time, far exceeding the ability of the workforce to respond to every trouble report within 24 hours. When multiple storms of this sort occur only a few days apart, a work backlog is generated which is extremely difficult to overcome, especially during the summer months when the workforce is traditionally stretched thin due to contractor/building activity and technician vacation requirements mandated by the Ameritech Illinois' labor contracts.

The situation in 2000 has been compounded by the fact that Ameritech Illinois has been understaffed for much of the year — a situation which is currently being addressed. Not only have the number of technicians available to do the work been lower than in past years, but many of our most experienced technicians have chosen to leave the business. As a result, some of the more complex cable-related problems that could have been addressed and permanently fixed by these technicians have been worked on by lesser experienced technicians. This opens the door to other customers whose facilities reside in those same cables experiencing service problems that might have been otherwise avoided had a more experienced technician been initially available.

**Mathias Data Request
Due September 28, 2000**

Counterintuitive Reduction in Field Personnel

The company's written presentation disclosed (at pages 6 and 7) that the installation and repair technician staffing levels (headcount) decreased by more than 7% during the first eight months of 1999 while wholesale installation and repair visits increased more than eight times during the same time period. Again, there was no analysis of the reasons why headcount decreased in the face of some apparently substantial work load increases. Likewise, there was no analysis of the trend in headcount of other units of Ameritech-Illinois during 1999 or prior periods.

Response:

Shown below is an analysis of the cause of the force decreases in 1999 and 2000. As can be seen, the most significant cause of the decrease is associated with retirements.

The Company began efforts during the third quarter of 1999 to develop staffing plans to offset the impact of the anticipated retirements. Plans were put in place to begin significant recruitment efforts throughout the Network organization. However, due to the extremely tight job market in Illinois, the Company was not able to recruit a sufficient number of employees to offset the retirement force losses. During this same period, the Company modified the pension plans to mitigate the potential force losses. These modifications are addressed in detail under *Retirement Related Reduction in Force* later in this document.

It was also felt that various productivity improvement initiatives that were underway, or were under development, would also help offset a portion of the force losses. While productivity improvements have been seen over the past year, they have not been sufficient to close the force/load gap which currently exists.

1999

800 of Network's Non-management employees left the business. Here is the breakout of reasons they left.

- 556 (69.5%) retired
- 86 (10.8%) resigned for various personal reasons
- 66 (8.3%) were summer hires and left the payroll at the end of their temporary assignment
- 25 (3%) received SIPP as a result of management-initiated workgroup reduction
- 47 (5.9%) were terminated for performance reasons
- 20 (2.5%) died

2000

435 of Network's Non-management employees have left the business. Here is the breakout of reasons they left.

- 156 (35.9%) retired
- 96 (22%) resigned for various personal reasons
- 110 (25.3%) were summer hires and left the payroll at the end of their temporary assignment
- 66 (15.2%) were terminated for performance reasons
- 7 (1.6%) died

The major reason why people left the business was due to retirement (in both years). Very simply, we have a senior workforce and have been working since 3Q99 to rebuild that workforce.